

April 17, 2024
Chesapeake Utilities Corporation

INDEPENDENT VERIFICATION STATEMENT AT THE LIMITED ASSURANCE LEVEL FOR CALENDAR YEAR 2023 GREENHOUSE GAS EMISSIONS DATA

SCOPE OF ENGAGEMENT

HXE Partners (HXE) was contracted by Chesapeake Utilities Corporation (Chesapeake Utilities) to provide independent, third-party verification of Chesapeake Utilities' Greenhouse Gas (GHG) Emissions inventory for the calendar year (CY) 2023, with responsibility for providing a **limited level of assurance** regarding their accuracy and completeness, in accordance with in accordance with the **ISO 14064-Part 3** verification standard, and the International Standard on Assurance Engagements (**ISAE**) **3000** Revised, Assurance Engagements Other than Audits or Reviews of Historical Information.

Our engagement covered Chesapeake Utilities' assets¹ using the operational control reporting method. The scope of our review included Chesapeake Utilities' emissions sources encompassing:

- **Scope 1** emissions sources: stationary, mobile, and fugitive emissions
- **Scope 2** (location-based) emissions sources: purchased electricity

Data sources and supporting documents provided ("data sources"):

- Inventory calculation methodology, factors, and data flow documentation
- Chesapeake's utility data from data management platforms

Chesapeake Utilities is responsible for collecting, analyzing, and presenting data sources provided to HXE, as well as for maintaining effective internal controls over the systems from which the data sources. Data sources have ultimately been approved by and remains the responsibility of Chesapeake Utilities.

The verification assessment, conducted in accordance with ISO-14064-Part 3: *Specification with Guidance for the Verification of Greenhouse Gas Statements* and ISAE 3000 included verification of Chesapeake Utilities' reporting methodologies for the greenhouse gas emissions data in accordance with:

- The World Resources Institute / World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (Revised Edition)*

VERIFICATION PROCESS AND DOCUMENT REVIEW

As part of this assurance engagement, HXE Partners conducted the following verification activities:

- Conducting an overarching strategic/risk analysis
- Generating and developing a verification plan and a data and information sampling plan

¹ The engagement excluded review of Scope 1 and Scope 2 GHG emission sources associated with Florida City Gas, which was acquired by Chesapeake Utilities on November 30, 2023.

- Interviewing relevant employees at Chesapeake Utilities responsible for managing GHG emissions and environmental data and records
- Verifying GHG emissions and environmental data and records at an aggregated level for CY 2023
- Reviewing Chesapeake Utilities’ data management systems, from data handling to internal verification procedures, to confirm that there were no significant errors, omissions, or misstatements in provided data sources.
- Conducting materiality review of findings.
- Developing a verification report

HXE Partners discussed the specific review tasks completed and which areas were flagged for clarification or improvement with Chesapeake Utilities. Chesapeake Utilities has addressed all requests for clarification and have completed all necessary corrective actions. The following data has been verified:

Table 1. Summary of Chesapeake Utilities’ Data for CY 2023

Scope of GHG Emissions	Value (MTCO ₂ e)
Scope 1 Emissions	192,505
Scope 2 Emissions (location-based)	17,569
Total	210,074

ASSURANCE FINDING

Based on these review processes and procedures, nothing has come to HXE Partner’s attention that would cause us to believe that Chesapeake Utilities has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized above in Table 1.

The opinion expressed is formed based on a **limited level of assurance** and at the materiality of the professional judgement of the verifier. Note the extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Signed,



On behalf of HXE Partners LLC,
April 17, 2024